

NINETY-NINTH
ANNUAL REPORT

2018

STATE OF MARYLAND



MARYLAND RACING COMMISSION

Larry Hogan
Governor of Maryland

Boyd K. Rutherford
Lt. Governor of Maryland

Tiffany P. Robinson
Secretary

September 15, 2019

Tiffany P. Robinson
Secretary
Maryland Department of Labor
500 North Calvert Street
Baltimore, Maryland 21202

The Honorable Thomas V. "Mike" Miller, Jr.
President
Senate of Maryland
State House, H-107
Annapolis, Maryland 21401

The Honorable Adrienne Jones
Speaker
Maryland House of Delegates
State House, H-101
Annapolis, Maryland 21401

RE: Report required by Business Regulation Article §11–213 (MSAR 710, 6526)

Dear Secretary Robinson, Senate President Miller, and Speaker Jones:

On or before September 15 of each year, the Maryland Racing Commission is required to submit a report to the Secretary and the Legislative Policy Committee about the preceding calendar year. The Commission is pleased to present you with the annual report for calendar year 2018.

Each report shall include:

- (1) a statement of receipts and disbursements of the Commission;
- (2) a summary of major events that occurred the preceding year that affected horse racing in the State, including any significant changes at tracks in the region as well as a discussion of legislative initiatives in the State;
- (3) a 5-year assessment of each track regarding:
 - (i) attendance;
 - (ii) purse distributions;
 - (iii) live racing days that are allocated and used;
 - (iv) betting on live racing that is held at that track broken down by the following categories:
 1. betting conducted at the live track;

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2. betting conducted at other Maryland tracks;
3. betting conducted at satellite simulcast facilities in the State; and
4. betting conducted through out-of-state satellite simulcasting;
- (v) betting that is conducted at the live track on races simulcast from other tracks in the State; and
- (vi) betting that is conducted at the live track on races simulcast from out-of-state tracks;
- (4) information on all simulcast betting at satellite simulcast facilities in the State, including information on how much is wagered on in-state races and how much is bet on out-of-state races;
- (5) information on all simulcast betting that is conducted out-of-state on races being run live in this State;
- (6) to the extent available, information on the breeding industry in the State, including:
 - (i) the number of breeders in the State;
 - (ii) the number of foals registered in the State;
 - (iii) the average sales prices of foals; and
 - (iv) any other information pertaining to the regional and national ranking of the State for breeding;
- (7) all other information that is currently provided by the Commission in its annual report;
- (8) additional information on satellite simulcast facilities, as required under § 11-831 of this title; and
- (9) any other information that is useful in explaining the financial viability of horse racing in the State and any recommendations to improve the industry.

A review of this report will give you an overview of the horse racing industry in Maryland.

J. Michael Hopkins
Executive Director

cc: Legislative Policy Committee
Sarah Albert, Department of Legislative Services (5 hard copies)

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The Commission during the year 2018 consisted of:

Chairman

Michael J. Algeo

Members

Ronald Thomas, II
M. Konrad Wayson
Tammy Lafferty
Tom Winebrenner
David Hayden
Ernest R. Grecco
Clarissa Coughlin
Tom Bowman

The Commission Staff

J. Michael W. Hopkins, Executive Director
Doreen K. Munday, Admin. Program Manager
Ursula Suber, Fiscal Accounts Supervisor
Cheryl Kauffman, Fiscal Clerk II
Joseph M. Poag, Chief Investigator
Scott Lishia, Investigator

Stewards

Adam Campola, Administrative Steward
Russell Derderian, Associate Stewards
Ross Pearce, Associate Stewards

Veterinarians

Libby Daniel, Chief Veterinarian
Kelly Walsh, Veterinarian
Tom Jett, Veterinarian
Sam Sacksen, Veterinarian

MEETING STATISTICS - 2018

Commission Meetings

In 2018, the Commission met to conduct business on nine (9) occasions.

Highlights

REVENUE:

\$2,756,033 was collected by the State in 2018. This amount represents an increase from the amount of revenue collected in 2017.

ATTENDANCE:

Attendance at Maryland tracks was 461,487 in 2018. Since attendance is not kept for patronage at Satellite Simulcast Betting Facilities and at remote tracks, recorded attendance alone is not a good measure of activity.

Rosecroft does not keep a record of attendance.

Legislation

Chapter 184 (HB 1721/ SB 1158) – Altered the restricted use of funding for The Maryland International and changed it from a Grade 1 race to a graded race.

Chapter 522 (HB 1177/ SB 1115) – Created the Medication Compact enabling legislation.

Chapter 222 (HB 1592/ SB 851) – Clarified and defined when a Jockey is a covered employee for the purposes of the Jockey Fund.

Chapter 334 (HB 392/ SB 381) – Extended the sunset provision for Ocean Downs & Rosecroft to request \$1,200,000.00 – From the Purse Dedication Account for operation expenses through 2024

Chapter 767 (HB 130/ SB 32) – Deleted the sunset provision for VLT revenues that goes to the City of Laurel, Anne Arundel County & Howard County.

2018 RACING DATES

MILE TRACKS:

Laurel	January 1 – December 31	158
	Simulcast Only Days	<u>206</u>
		364 Days
Pimlico	January 1 - December 31	12
	Simulcast Only Days	<u>350</u>
		362 Days
	Total	726 Days

COUNTY FAIR TRACKS:

Timonium	August 25 – September 4	7
	Simulcast Only Days	<u>3</u>
	Total	10 Days

STEEPLECHASE :

Fair Hill	May 27	<u>1</u>
	Total	1 Days

TOTAL LIVE:	178 DAYS
TOTAL SIMULCAST ONLY:	<u>559</u> DAYS
THOROUGHBRED TOTAL:	737 DAYS

2018 RACING DATES

(Continued)

HARNESS TRACKS:

Rosecroft	January 1 – December 31	59
	Simulcast Only Nights	<u>302</u>
		361 Nights

Ocean Downs	January 1 – December 31	48
	Simulcast Only Nights	<u>313</u>
		361 Nights

TOTAL LIVE:	107 NIGHTS
TOTAL SIMULCAST ONLY:	<u>615</u> NIGHTS
HARNESS TOTAL:	722 NIGHTS

TOTAL LIVE RACING DAYS AND NIGHTS	285
TOTAL SIMULCAST ONLY	<u>1,174</u>
GRAND TOTAL	1,459

RACE YEAR

SUMMARY:

During the year 2018, there were 285 days and nights of licensed racing in the State, consisting of the following:

There were 726 days of licensed racing at the Mile Tracks – Pimlico 362 days and Laurel 364 days; 10 days at Timonium; and 1 day raced at Fair Hill. There were also 722 nights of licensed racing at the Harness Tracks – Rosecroft 391 nights and Ocean Downs 361 nights.

ATTENDANCE FOR CALENDAR YEARS 2016 - 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Laurel	272,926	303,114	330,817
Pimlico	129,474	121,402	149,544
Timonium*	<u>14,096</u>	<u>15,491</u>	<u>14,465</u>
TOTAL:	416,496	440,007	494,826
Rosecroft **	**	**	**
Not recorded			
Ocean Downs	<u>33,877</u>	<u>34,776</u>	<u>39,339</u>
TOTAL:	33,877	34,776	39,339
Fair Hill	11,114	14,104	15,106
TOTAL ATTENDANCE - THOROUGHBRED AND HARNESS:			
	<u>461,487</u>	<u>488,887</u>	<u>549,271</u>

**Includes attendance from State Fair

WAGERING HISTORY IN MARYLAND
of
THOROUGHBRED AND HARNESS RACING

THOROUGHBRED STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
2007	301	259,549,867
2008	303	225,189,800
2009	291	195,908,615
2010	290	190,800,402
2011	267	182,980,868
2012	336	158,031,769
2013	363	134,515,395
2014	362	122,668,323
2015	361	129,139,471
2016	362	102,388,036
2017	363	94,123,538
2018	362	88,957,359

HARNESS STATISTICS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
2007	721	117,815,100
2008	727	100,559,207
2009	738	65,631,105
2010	823	22,753,567
2011	490	20,810,252
2012	717	34,180,137
2013	723	47,922,650
2014	724	46,070,856
2015	719	40,915,568
2016	724	46,168,043
2017	725	44,110,698
2018	722	36,081,700

SSB FACILITIES STATISTICS:

YEAR	AMOUNT WAGERED
2007	69,206,967
2008	52,507,771
2009	41,360,026
2010	38,137,636
2011	30,812,484
2012	14,288,365
2013	10,212,577
2014	5,140,478
2015	13,857,614
2016	20,449,226
2017	37,829,944
2018	39,237,868

COMBINED TOTALS:

YEAR	LICENSED DAYS	AMOUNT WAGERED
2007	1,022	446,571,934
2008	1030	378,256,778
2009	1029	302,899,746
2010	1113	251,691,605
2011	757	234,603,604
2012	1,053	206,500,271
2013	1,086	192,286,622
2014	1,086	172,879,657
2015	1,080	183,912,653
2016	1,086	169,005,305
2017	1,088	176,064,180
2018	1,084	164,276,927

AMOUNT WAGERED

2018

MILE TRACKS:

Laurel	\$68,080,486
Pimlico	<u>19,507,164</u>
TOTAL	<u>\$87,587,650</u>

COUNTY FAIR TRACKS:

Timonium	1,218,033
TOTAL	<u>1,218,033</u>

HARNESS TRACKS:

Rosecroft	28,760,882
Ocean Downs	<u>7,320,818</u>
TOTAL	<u>36,081,700</u>

STEEPLECHASE:

Fair Hill	<u>151,676</u>
TOTAL	<u>151,676</u>

SSB FACILITIES

39,237,868

SUMMARY

Mile Tracks	87,587,650
County Fair Tracks	1,218,033
Harness Tracks	36,081,700
Steeplechase	151,676
SSB Facilities	<u>39,237,868</u>
TOTAL	<u>164,276,927</u>

SATELLITE SIMULCAST BETTING

The amounts bet at the Satellite Simulcast Betting Facilities in calendar year 2018 are reflected in the following table.

Maryland Satellite Simulcast Betting Facilities

Bet At:	MGM	Riverboat	Horseshoe	Timonium	Boonsboro	Perryville	Greenmount
Bets on:							
MD Thoroughbred Races	125,250	310,476	956,255	1,914,722	290,507	417,930	401,376
MD Harness Races	13,764	1,649	63,693	6,144	2,095	6,194	1,110
Out - of -State Races	1,488,65 6	2,695,41 9	10,166,80 6	11,749,78 0	2,928,854	3,782,196	1,914,992
TOTAL	<u>1,627,67</u> <u>0</u>	<u>3,007,54</u> <u>4</u>	<u>11,186,75</u> <u>4</u>	<u>13,670,64</u> <u>6</u>	<u>3,221,456</u>	<u>4,206,320</u>	<u>2,317,478</u>

In 2018, SSB facilities met the prescribed food and service standards and provide a convenience to the horse racing public.

FIVE YEAR ASSESSMENT OF LAUREL

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Attendance</u>	272,926	303,114	330,817	341,867	327,690
<u>Purses</u>	50,289,064	40,837,740	33,959,365	27,661,465	29,106,690
<u>Number of days of live racing</u>	158	150	125	103	107
<u>Betting on its live racing at:</u>					
Laurel	12,991,430	13,532,748	12,164,916	10,027,397	8,772,235
Other MD tracks	2,697,626	3,169,633	3,436,710	3,587,975	3,541,793
Satellite Simulcast Facilities in MD	3,452,452	3,206,944	2,480,279	678,328	180,372
Out-of-state	<u>353,004,877</u>	336,387,361	256,578,508	175,672,864	142,507,116
<u>Betting on other in-State races</u>	1,353,185	1,563,234	2,219,172	2,914,564	2,551,364
<u>Betting on out-of-State races</u>	53,735,871	55,267,891	58,084,683	61,855,898	60,516,114
<u>Total betting at this location on all racing</u>	68,080,486	70,363,873	72,468,771	74,797,859	71,839,713

FIVE YEAR ASSESSMENT OF PIMLICO

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Attendance</u> (* Live & Simulcast) Does not include Preakness	129,474	121,402	149,544	228,919	256,725
<u>Purses</u>	5,994,747	5,385,380	8,952,825	12,395,050	12,892,690
<u>Number of days of live racing</u>	12	12	28	37	35
<u>Betting on its live racing at:</u>					
Pimlico	5,640,463	7,060,076	7,844,833	9,651,661	9,672,078
Other MD tracks	1,360,912	1,814,168	2,905,243	3,521,330	3,416,557
Satellite Simulcast Facilities in MD	885,954	822,927	1,152,775	344,698	175,696
Out-of-state	129,781,672	134,381,489	160,625,703	171,301,182	146,829,060
<u>Betting on other in-State races</u>	1,383,157	1,437,821	1,643,715	2,198,420	2,171,348
<u>Betting on out-of-State races</u>	12,483,544	13,735,860	18,912,370	31,033,253	37,505,388
<u>Total betting at this location on all racing</u>	19,507,164	22,233,757	28,400,918	42,883,334	49,348,814

FIVE YEAR ASSESSMENT OF TIMONIUM

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Attendance</u>	14,096	15,491	14,465	15,948	16,278
<u>Purses</u>	1,693,353	1,453,410	1,126,275	1,071,240	11,843
<u>Number of days of live racing</u>	7	7	7	7	7
<u>Betting on its live racing at:</u>					
Timonium	660,766	739,340	697,034	762,714	790,176
Other MD tracks	269,158	300,472	248,940	191,647	234,163
Satellite Simulcast Facilities in MD	78,107	68,406	44,157	30,361	8,517
Out-of-state	3,845,992	4,169,311	2,595,868	2,188,761	1,555,991
<u>Betting on other in-State races</u>	234	357	151	0	0
<u>Betting on out-of-State races</u>	557,033	628,499	688,644	505,753	514,027
<u>Total betting at this location on all racing</u>	1,218,033	1,368,196	1,385,829	1,268,467	1,304,203

FIVE YEAR ASSESSMENT OF ROSECROFT

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Attendance</u>	*0	*0	*0	*0	*0
*Not Recorded					
<u>Purses</u>	5,740,701	5,295,926	6,016,904	4,760,147	4,249,537
<u>Number of days of live racing</u>	59	59	54	54	54
<u>Betting on its live racing at:</u>					
Rosecroft	853,938	833,526	1,007,007	851,600	812,441
Other MD tracks	117,123	137,789	100,827	71,452	57,530
Satellite Simulcast Facilities in MD	58,047	63,629	51,995	22,306	4
Out-of-state	7,392,866	6,802,198	5,947,155	4,221,548	2,804,119
<u>Betting on other in-State races</u>	1,826,101	1,922,995	2,252,743	2,410,434	2,126,834
<u>Betting on out-of-State races</u>	26,080,844	27,990,093	31,284,981	29,145,510	34,407,539
<u>Total betting at this location on all racing</u>	28,760,883	30,746,614	34,544,731	32,407,544	37,346,814

FIVE YEAR ASSESSMENT OF OCEAN DOWNS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Attendance</u>	33,877	34,766	39,339	39,552	41,349
<u>Purses</u>	5,172,768	4,524,196	4,236,917	2,610,769	3,345,941
<u>Number of days of live racing</u>	48	47	47	48	48
<u>Betting on its live racing at:</u>					
Ocean Downs	843,479	841,399	983,450	1,103,909	981,404
Other MD tracks	117,860	114,036	201,134	125,437	85,510
MD Satellite Simulcast Facilities	36,602	35,545	25,213	22,260	102
Out-of-state	5,555,633	5,259,894	3,250,006	3,318,642	2,389,676
<u>Betting on other in-State races</u>	558,404	614,591	646,568	504,537	485,974
<u>Betting on out-of-State races</u>	5,918,935	7,238,654	7,148,597	6,899,578	7,256,664
<u>Total betting at this location on all racing</u>	7,320,818	8,694,644	8,778,615	8,508,024	8,724,042

METHOD OF TAXATION

TAKEOUT AT MARYLAND THOROUGHBRED RACETRACKS

Effective July 1, 2005

	Regular <u>Pool%</u>	2-Horse <u>Multiple</u>	3-Horse <u>Multiple</u> <u>1st Race</u>
State Tax	.32	.32	.32
Purses	7.88 (1)	8.88 (1)	11.88 (1)
Track	7.70 (2)	8.70 (2)	11.70 (2)
Maryland Million	1.00	2.0	.75
Bred Fund	<u>1.10</u>	<u>1.10</u>	<u>1.10</u>
Total Takeout	18.00	21.00	25.75
Returned to Public	<u>82.00</u>	<u>79.00</u>	<u>74.25</u>
 Total Handle	 100.00 %	 100.00 %	 100.00 %

Timonium

State Tax	0 (3)	0 (3)	0 (3)
Purses	5.00	7.00	13.00
Track	10.50 (2)	10.50 (2)	10.50 (2)
Bred Fund	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
Total Takeout	17.00	19.00	25.00
Returned to Public	<u>83.00</u>	<u>81.00</u>	<u>75.00</u>
 Total Handle	 100.00 %	 100.00 %	 100.00 %

Fair Hill

State Tax (Fair Hill Improvement Fund)	9.00
Track	<u>16.00</u>
Total Takeout	25.00
Returned to Public	<u>75.00</u>
 Total Handle	 100.00 %

(1) Includes .18 for purses.

(2) Includes .25 for Pension Fund.

(3) No State tax paid during the State Fair.

METHOD OF TAXATION

(Continued)

TAKEOUT AT MARYLAND HARNESS RACETRACKS

	1-Horse <u>Pool %</u>	2-Horse <u>Pool %</u>	Over 2-Horse <u>Pool %</u>
State Tax	.32	.32	.32
Purses	.18	.18	.18
Track	18.00	20.00	26.00
Standardbred Fund	(4)	(4)	(4)
Track Pensions	(5)	(5)	(5)
Total Takeout	18.75	20.75	26.75
Returned to Public	<u>81.25</u>	<u>79.25</u>	<u>73.25</u>
Total Handle	100.00 %	100.00 %	100.00 %

(4) The amount deducted is .5 and 1.00 respectively of the first \$125,000 daily average. The amount deducted for amounts in excess of \$125,000 are 1.00, 1.00 and 1.50 of the track share of the takeout.

(5) If daily average for the year exceeds \$125,000, .25% of the handle is deducted from all pools for track employee pensions.

REVENUE TO THE STATE: THOROUGHBRED

TOTAL FOR ALL MEETS

	<u>2018</u>	<u>2017</u>
LAUREL		
Race Days	364	363
Tax to the State	387,076	395,146
License Fee	<u>9,100</u>	<u>9,075</u>
	396,176	404,221

PIMLICO

Race Days	362	363
Tax to the State	236,658	245,763
License Fee	<u>9,050</u>	<u>9,075</u>
	245,708	254,838

TOTAL	<u>641,884</u>	<u>659,059</u>
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COUNTY FAIR:

Race Days	7	7
Tax to the State	-0-	\$ - 0 -
License Fee	<u>-0-</u>	<u>- 0 -</u>
	-0-	\$ - 0 -

TOTAL COUNTY FAIR	<u>-0-</u>	<u>\$ - 0 -</u>
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STEEPLECHASE:

Race Days	1	1
Tax to the State	<u>13,651</u>	<u>14,194</u>
TOTAL	<u>13,651</u>	<u>14,194</u>

REVENUE TO THE STATE: HARNESS

	<u>2018</u>	<u>2017</u>
ROSECROFT		
Race Days	361	361
*Remote Only		
Tax to the State	119,889	122,708
License Fee	<u>9,025</u>	<u>9,025</u>
	128,914	131,733
 OCEAN DOWNS		
Race Days	364	364
Tax to the State	21,751	2,694
License Fee	<u>9,100</u>	<u>9,100</u>
	30,851	11,794
 TOTAL HARNESS	 <u>159,765</u>	 <u>143,527</u>
(Race days include live and simulcast only days)		

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

2018

THOROUGHBRED LICENSES ISSUED:

554	Original Owner
1,937	Renewal Owner
52	Original Trainer
139	Renewal Trainer
128	Assistant Trainer
428	Owner / Trainer
203	Jockey
48	Apprentice Jockey
22	Jockey Agent
34	Veterinarian
32	Farrier
864	Stable Employee
141	Mutuel Employee
160	Vendor
233	Exercise Rider
249	Track Employee

5,224	TOTAL LICENSES

THOROUGHBRED REGISTRATIONS:

86	Authorized Agent
1074	Assumed Name

1160	TOTAL REGISTRATIONS

SUMMARY OF LICENSES & REGISTRATIONS ISSUED

(Continued)

HARNESS LICENSES ISSUED:

123	Original Owner
434	Renewal Owner
2	Original Trainer
49	Renewal Trainer
17	Driver
32	Trainer / Driver
164	Owner / Trainer
144	Owner / Trainer / Driver
10	Owner / Driver
4	Veterinarian
192	Stable Employee
42	Mutuel Employee
105	Track Employee
15	Vendor
2	Farrier

1,335	TOTAL LICENSES

HARNESS REGISTRATIONS:

0	Authorized Agent
94	Assumed Name

94	TOTAL REGISTRATIONS

UNCASHED PARI-MUTUEL TICKETS

If any winning ticket is not redeemed for a period of one (1) year from the date of issue, the amount necessary to redeem the ticket shall be paid to a special fund of the State. The following receipts are from race meetings conducted in the year prior to that indicated by the columnar heading. Collected July 1, 2017 thru June 30, 2018

	<u>2018</u>	<u>2017</u>
Mile Tracks	\$797,651	\$796,234
Harness Tracks	223,712	187,565
County Fair Track	0*	0*
Steeplechase	<u>4,337</u>	<u>2,389</u>
TOTAL UNCASHED PARI-MUTUEL TICKETS	\$1,025,700	\$986,188

*County Fair uncashed monies included with mile tracks.

**SSB's uncashed monies included with racetracks uncashed tickets.

STATEMENT OF RECEIPTS

DISBURSED TO THE STATE COMPTROLLER

	<u>2018</u>	<u>2017</u>
<u>MILE TRACKS:</u>		
Track License Fees	\$18,100	\$18,150
Tax on Betting	623,734	640,909
Licensing Fees	0	0
Registration Fees	0	0
Uncashed Pari-Mutuels	<u>797,651</u>	<u>796,234</u>
TOTAL DISBURSEMENTS MILE TRACKS	<u>\$1,439,485</u>	<u>\$1,455,293</u>
<u>COUNTY FAIR TRACKS:</u>		
Tax on Betting (6)	-0-	-0-
Uncashed Pari-Mutuels	*	*
TOTAL DISBURSEMENTS COUNTY FAIR TRACKS	<u>0</u>	<u>0</u>
<u>HARNESS TRACKS:</u>		
Track License Fees	\$18,125	\$18,125
Tax on Betting	141,640	125,402
Licensing Fees	0	0
Registration Fees	0	0
Uncashed Pari-Mutuels	<u>223,712</u>	<u>187,565</u>
TOTAL DISBURSEMENTS HARNESS TRACKS	<u>\$383,477</u>	<u>\$331,092</u>
<u>STEEPLECHASE:</u>		
Tax on Betting	\$13,651	\$14,194
Uncashed Pari-Mutuels	<u>4,337</u>	<u>2,389</u>
TOTAL DISBURSEMENTS STEEPLECHASE	<u>\$17,988</u>	<u>\$16,583</u>
<u>OTB'S:</u>		
PERMIT FEE	<u>\$3,500</u>	<u>\$3,000</u>
TOTAL DISBURSEMENTS O.T.B.	<u>\$3,500</u>	<u>\$3,000</u>
 <u>TOTAL ALL DISBURSEMENTS</u>	 <u>\$1,844,450</u>	 <u>\$1,805,968</u>

(6) No State tax is payable when racing is conducted during the State Fair.

*County Fair uncashed monies included with mile tracks.

STATEMENT OF RECEIPTS

DISBURSED TO THE STATE COMPTROLLER

(Continued)

DIRECT DISBURSEMENTS TO STATE COMPTROLLER:

	<u>2018</u>	<u>2017</u>
Tax on Badges & Admissions	\$447,243	\$390,279
Sales Tax on Horses Claimed	<u>464,340</u>	<u>423,330</u>
TOTAL DIRECT DISBURSEMENTS TO STATE	\$911,583	\$813,609
<u>TOTAL ALL DISBURSEMENTS TO STATE COMPTROLLER</u>	<u>\$2,756,033</u>	<u>\$2,619,577</u>

STATEMENT OF ACTUAL EXPENDITURES

July 1, 2017 to June 30, 2018

SALARIES & BENEFITS

Commission Personnel \$372,940

Total Salary & Benefits Expenses \$372,940

OFFICE EXPENDITURES:

Telephone and Postage \$7,704

Travel Expenses \$7,677

Motor Vehicle Operation \$2,418

Contractual Services, i.e., 23,041

Printing, Repairs, Equipment and Leasing, Court Expenses,
Transcript of Hearings

Office Supplies 28,819

Office Equipment Additional 2,533

Fixed Charges, i.e., Rent, Insurance, Subscriptions and Dues 12,351

Total Office Expenses \$84,543

TOTAL EXPENDITURES AND DISBURSEMENTS (7) \$457,483

OTHER DISBURSEMENTS:

Grant - Dept. of Agriculture \$2,230,769.17

MD Fair Board 778,349.67

MD State Fair \$471,727.07

MD Agriculture Ed. Fund 70,759.06

Frederick Fair 37,738.17

Pocomoke Fair 18,869.08

1,377,443.05

Other:

Fair Hill \$13,651

Maryland Standardbred Race Fund 330,209

MD Million 471,727

Refund to Rosecroft/ over paid taxes 37,739

Total Other: \$853,326

Total Grants & Other \$2,230,769

(7) Does not include salaries of Stewards and Judges, nor salaries of personnel and expenses reimbursed by the associations.

MARYLAND RACING COMMISSION 2018
Equine Specimen Testing

Truesdail Laboratories located in Tustin, California was one of two laboratories that responded to a “Request For Proposal” (RFP) issued by the Department late in 2013. Consequently Truesdail was awarded the five year contract and provided the urine and blood specimen analysis during 2018 and continues to do so. Below are the statistics regarding the analysis of these samples.

The following table and list represent the findings of the laboratory during calendar year 2018

NUMBER OF OFFICIAL SAMPLES ANALYZED

<u>SOURCE</u>	<u>URINE</u>	<u>BLOOD</u>	<u>TOTAL</u>	<u>POSITIVE</u>
Thoroughbred	2,974	3,989	6,963	24
Standardbred	2,265	4,567	6,832	7
2018 Totals	5,239	8,556	13,795	31

THE MARYLAND JOCKEY INJURY COMPENSATION FUND

The Maryland Jockey Injury Compensation Fund, Inc. was established by legislative action during the 1985 session of the General Assembly and became effective January 1, 1986.

The purpose of this fund is to purchase a blanket workmen's compensation insurance policy for all jockeys licensed by the Maryland Racing Commission and participating at the Maryland race tracks.

POLICY COST

2004	\$ 611,533
2005	\$ 655,311
2006	\$ 741,868
2007	\$ 977,423
2008	\$ 723,852
2009	\$ 476,211
2010	\$ 404,954
2011	\$ 508,182
2012	\$1,675,611
2013	\$1,648,613
2014	\$1,223,005
2015	\$ 808,553
2016	\$ 882,763
2017	\$ 990,509
2018	\$ 986,874

The above costs were funded by an assessment on all licensed owners and trainers levied and collected by the Maryland Racing Commission at the time of licensure. The assessment per licensee for 2018 was \$ 100.00, for 2019 was also \$100.00, and will remain \$100.00 in 2020.

MARYLAND-BRED FUND REPORT

MARYLAND-BRED FUND DISTRIBUTION IS EXPLAINED

The Maryland-Bred Fund was created by the General Assembly in 1962. Maryland was the first state to develop a legislated incentive program to encourage the improvement of Thoroughbred breeding and racing. Since that time, more than 30 other states have instituted incentive programs of one kind or another.

In Maryland, there are six categories through which monies from the Fund are made available: 1) **purse money** for stakes races for registered Maryland-breds, 2) **awards for owners** of registered Maryland-breds finishing first, second or third 3) **awards for breeders** of Registered Maryland-breds finishing first, second or third; 4) **awards for the owners of stallions** which are duly registered with the Maryland Horse Breeders Association (MHBA); 5) **yearling show bonus awards** for the four highest-earning 2 and 3-year-olds shown at the annual MHBA yearling show (based on North American earnings); and 6) **Maryland-sired allocation** for purses and awards for horses conceived in Maryland by a registered/nominated Maryland Stallion.

The Maryland –Bred Fund receives slightly less than 1 percent of the total mutual handle and breakage from Laurel and Pimlico (the State’s two mile tracks), and receives approximately 1.5 percent of the mutual handle and 5.0 percent of the breakage at Timonium (the State’s half mile track)

In 2018, revenue for the Maryland-Bred Fund totaled over \$7.9 million (includes approximately \$1.0 million from pari-mutuel wagering funds and \$6.9 million from other sources. After eligible deductions, a portion of this money is allocated to purses. The remaining percentage is distributed in the form of breeder awards and stallion awards. In 2018, \$620,000 was paid in purses and nearly \$5.2 million was disbursed as breeder and stallion awards.

In 2018, breeder and stallion awards were paid for the registered Maryland-bred who finished first through third in any race in Maryland. The breeder awards were 30% and the stallion bonuses were 10% of the winner’s share of the purse. For stakes races only, bonus percentages changed to 15% Breeders and 5% Stallion beginning in June

2018. In stakes races the award is based on the first \$100,000 of the gross purse. The Maryland-bred stakes program is typically planned on a meet by meet basis, and is based on projected revenues for the coming year.

The Maryland-Bred Fund program is administered by the Maryland Racing Commission with the assistance and advice of the Maryland-Bred Fund Advisory Committee chaired by David Hayden, a member of the Maryland Racing Commission. Other members of the Maryland Fund Advisory Committee are Georganne Hale (Representing the mile tracks), Richie Blue (half-mile track) and Michael Harrison, DVR (MHBA). Under the direction of the Commission, the actual implementation of the fund, including maintaining the Maryland-bred registry and computing and distributing all bonus awards, is performed by the MHBA for which it receives up to 10 percent of the total receipts of the Fund, subject to the approval of the Maryland Racing Commission.

Breeder and stallion award percentages are determined on a bi-annual basis on the advice of the Maryland Fund Advisory Committee. Owner award percentages are determined by a separate agreement. (For Maryland Million Day, breeder and stallion award percentages are determined annually). Awards are distributed as soon as is practical. The quality of Maryland-breds has improved since the Maryland-Bred Fund was initiated over 50 years ago and the program is evaluated bi-annually to ensure the most effective use of the money

MARYLAND STANDARDBRED RACE FUND

Total purses for the year were \$ 1,793,650, a decrease from 2017 purses. The Maryland Sire Stakes (MSS) and Maryland Standardbred Fund (MSF) combined totals for the program in each year from 2000 through 2018 are shown below:

<u>YEAR</u>	<u>MSS</u>	<u>MSF</u>	<u>TOTAL</u>
2000	1,215,690	1,132,700	2,348,390
2001	1,142,780	1,039,960	2,182,740
2002	970,360	900,690	1,871,050
2003	947,550	833,250	1,780,800
2004	784,000	537,127	1,321,127
2005	779,104	627,761	1,406,865
2006	859,650	687,860	1,547,510
2007	816,750	620,200	1,436,950
2008	720,000	494,550	1,214,550
2009	445,000	315,550	760,550
2010	311,500	241,475	552,975
2011	447,500	260,250	707,750
2012	798,600	172,250	970,850
2013	825,997	529,475	1,355,472
2014	1,406,377	501,835	1,908,212
2015	1,210,700	472,585	1,683,285
2016	1,239,250	471,775	1,711,025
2017	1,487,775	412,980	1,900,755
2018	1,558,500	235,150	1,793,650